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Bureau of Consumer Protection

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Travel Scams: Avoiding A Trip to the Heartbreak Hotel

A South Carolina man got an unsolicited fax at his office offering a vacation deal he couldn't refuse. He quickly called to book the trip, looking forward to the comfortable resort accommodations, free breakfasts and special cruise outing promised in the fax. But when he arrived at the resort, he learned that the "free" cruise would cost him \$200, and that to get his room upgraded to the level promised and receive his "complimentary" breakfasts, he'd have to attend a sales seminar on timeshares.

When a Florida woman got a call offering a vacation deal, she said she wasn't quite ready to commit. But the telemarketer convinced her to send a deposit for the trip, promising a full refund if she changed her mind. When she later tried to cancel the order and get back her deposit, she was told that it was non-refundable.

A Missouri couple who bought a trip to the Bahamas pitched on the phone expected to stay in a five-star resort as promised. But what they got was a dilapidated room with no air conditioning, carpeting, transportation or easy access to the beach. "This whole vacation experience was a nightmare, and absolutely nothing like what was represented by the company," the woman told the Federal Trade Commission.

Vacations are supposed to be carefree times to unwind and reconnect with friends and loved ones. But for consumers who unknowingly book their trips through unscrupulous travel marketers, vacations can be expensive disappointments.

Travel scams consistently rank near the top of the list of complaints received by the FTC.

In a recent action dubbed "Operation Travel Unravel," the FTC sued three travel companies for bilking consumers out of hundreds of thousands of dollars, and Attorneys General in some 40 states announced cases and settlements involving fraudulent travel operators.

Fraudulent companies promote their travel packages through the mail, by phone and by unsolicited emails, or "spam." Recently, the FTC has noted an increase in fraudulent travel promotions advertised through unsolicited faxes — sometimes disguised to look like they're from a travel company the consumer may recognize.

A Tennessee woman, for example, received an unsolicited fax at her office advertising a vacation trip to Orlando, Cocoa Beach and the Bahamas. The letterhead on the fax looked exactly like the one used by her employer's travel group, and she thought the unbelievably low price was a special employee benefit. Anxious to take advantage of the offer, she quickly booked her trip. As it turned out, the company had no affiliation with the woman's employer, and she never received the tickets she paid for.

Some bogus promoters take consumers' money and don't provide a trip. Other promoters advertise rock-bottom prices, but hide certain fees until the deal is sealed. Some promise luxurious accommodations and services, but deliver far less. Still others don't reveal that the deal includes an obligation to sit through a timeshare pitch at the destination. And some promoters guarantee consumers that they can get a full refund if they decide to cancel the trip, but don't make good on their promise.

For example, when a Florida woman responded to a fax she received at work, she found herself getting talked into paying \$1,000 for what was advertised as a \$200 vacation. She soon regretted her decision and called to cancel. She got the runaround and, eight months later, has yet to see her refund.

Fraudulent travel offers can be hard to distinguish from legitimate ones. But according to FTC attorney Cindy Liebes, there are some tips to keep your trip from unraveling. She recommends that consumers avoid doing business with companies that use high-pressure sales techniques, promote elaborate trips at below-market prices, urge you to use a courier service or overnight mail to send your payment, or tell you they need your credit card number for identification or verification.

Before buying a vacation package — particularly one advertised at an unrealistically low price — the FTC encourages you to:

- ◆ Know who you're dealing with. If you're not familiar with a company, get its complete name, address and local telephone number. Be wary if the names of the seller and travel provider differ. You may be dealing with a telemarketer who has no further responsibility to you after the sale. As for a company that wants to send a courier for your payment or asks you to send your payment by overnight delivery, it may be trying to avoid detection and charges of mail or wire fraud.
 - ◆ Check out the company's track record. Contact the Attorney General, consumer protection agency and Better Business Bureau where you live and where the company is based to see if there is a history of complaints on file. Keep in mind that while a complaint record may indicate questionable business practices, a lack of complaints doesn't necessarily mean the company is legitimate. Unscrupulous dealers often change names and locations to hide a history of complaints.
 - ◆ Verify arrangements before you pay. Get the details of your vacation in writing, and a copy of the cancellation and refund policies. Ask the business if it has insurance and whether you should buy cancellation insurance. Don't accept vague terms such as "major hotels" or "luxury cruise ships." Get the names, addresses and telephone numbers for the lodgings, airlines and cruise ships you'll be using. Call to verify your reservations and arrangements.
 - ◆ Use a credit card to make your purchase. If you don't get what you paid for, you may be able to dispute the charges with your credit card company. However, don't give your account number over the phone unless you know the company is reputable. Some telemarketers may claim they need your account for identification or verification. They don't. Your account number should be used only to bill you for goods and services.
 - ◆ Investigate charter flights. If your trip involves a charter flight, get the charter operator's name and address and check the operator's registration by writing to: U.S. Department of Transportation, Office of Consumer Affairs, I-25, Washington, DC 20590. Also, call DOT's Public Charter Office at 202-366-2396 to see if the operator has filed to operate a charter flight from the planned departure city to the planned destination. Charter packages can't be sold until DOT approves the filing.
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- ◆ Learn the vocabulary. “*You’ve been specially selected to receive our spectacular luxury dream vacation offer*” doesn’t mean you’ll get a free vacation. It means you’ll be offered an opportunity to pay for a trip that may — or may not — fit your idea of luxury. “*Subject to availability*” means you may not be able to get the accommodations you want when you want them. “*Blackout periods*” are blocks of dates, usually around holidays or peak seasons, when no discount travel is available.
- ◆ Watch out for “instant travel agent” offers. Some companies may offer to sell you identification that will “guarantee” you discounted rates from cruise lines, hotel companies, used car companies or airlines. In reality, the companies that sell this identification have no control over discounts. Only the actual supplier of the services can extend professional courtesies.

“A vacation package represents a real investment in both money and time,” Liebes says. “Unwary consumers can lose lots of money or end up at a heartbreak hotel.”

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The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint, or to get free information on any of 150 consumer topics, call toll-free, **1-877-FTC-HELP** (1-877-382-4357), or use the complaint form at www.ftc.gov. The FTC enters Internet, telemarketing, and other fraud-related complaints into **Consumer Sentinel**, a secure, online database available to hundreds of civil and criminal law enforcement agencies worldwide.

This Consumer Feature is available electronically at www.ftc.gov/bcp/online/features/travel.htm.